GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:2382
ANSWERED ON:19.03.2002
DISINVESTMENT OF MARUTI UDYOG
AJAY CHAKRABORTY;AJAY SINGH CHAUTALA;BRAHMANAND MANDAL;M.V.V.S MURTHI;PRABODH PANDA;SHANKAR PRASAD JAISWAL

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the Government decided to off-load its stake in Maruti Udyog Ltd.;

(b) if so, the details thereof;

(c) the total assets value of Maruti Udyog and the profits or losses incurred by it during 1998-99, 1999-2000, 2000-2001 and 2001-02; and

(d) the manner in which the company has been successful in fulfilling the vision of its founders to provide a people`s car within the reach of common man; and

(e) the steps being taken by the Government to protect the interests of the employees of the company?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) & (b) Government, at this stage, has decided to offer shares on a rights basis to the existing shareholders with a renunciation option for the Government in favour of Indian Financial Institutions and/or Suzuki Motor Corporation (SMC)Government has invited Suzuki Motor Corporation for negotiations on the principles of fixation of rights issue price, respective proportion of renunciation in favour of Indian Financial Institutions and/or Suzuki Motor Corporation, renunciation premium and control premium to be paid by SMC.

(c) The position regarding Net worth and profits/losses for last four years is as follows:-

Net worth and Profit

Year	Net Worth	Post Tax Profits/(Losses) (Rs. In crore)
1998-1999	2596.1	523.0
1999-2000	2859.8	330.1
2000-2001	2683.8	(269.4)
2001-2002 Till 30/9/2001	2537.0	30.4

(d) MUL has largely achieved the objectives set for it at the beginning. It helped in rapid motorization in the country, Passenger car industry which was almost stagnant before MUL, grew at the annual rate of 23% during 1983 - 1990.The industry has grown at CAGR (Compounded annual growth rate) of 10-12% in the 90`s. Advent of MUL also saw development of modern component industry, which helped other global manufacturers to set up production facilities in country. The two popular models, Maruti 800 and Omni remain the lowest cost models produced any where in the world and the actual cost of these models in real terms has remained almost the same since these were launched.

(e) Protection of interests of employees is an integral component of the disinvestment policy.